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BY ELECTRONIC FILING

Honorable Leonard P. Stark
J. Caleb Boggs Federal Building
844 N. King Street
Lockbox 26, Room 2325
Wilmington, DE 19801

Re: ArthroCare Corp. v. Gyrus Medical, Inc., et al., 07-729 (SLR)

Dear Judge Stark:

The parties were unable to resolve their disputes at mediation on March 27, 2008. By agreement, that mediation encompassed claims in this suit and claims alleged by Gyrus relating to a June 1999 Settlement Agreement, which agreement provides for arbitration. With respect to the claims in this matter, ArthroCare wishes to engage in mediation under the Court's guidance, but believes mediation will be more productive after further discovery has occurred. Accordingly, ArthroCare proposes scheduling mediation with Your Honor in August, 2008. Gyrus proposes scheduling mediation later, in November, 2008, after the close of factual discovery, but before expert reports and discovery.

Respectfully,

/s/ Karen Jacobs Loudon

Karen Jacobs Loudon (#2881)

cc: Richard Horwitz, Esq. (by e-mail)
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